

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1891

ANSWERED ON:09.03.2001

ONE TIME SETTLEMENT OF BANK LOANS

NARESH KUMAR PUGLIA;NEDURUMALLI JANARDHANA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether the RBI has recently asked the banks to make use of a one-time settlement scheme for maximum recovery of bad debts before the deadline of 31 March, 2001;
- (b) if so, whether in view of fresh directions from the RBI, the public sector banks have contemplated any further action;
- (c) if so, the details thereof;
- (d) whether the banks have been advised to expedite encashment of TCs; and
- (e) if so, the progress of the various banks in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a):- Yes, Sir.

(b)&(c):- Reserve Bank of India (RBI) has reported that it had taken a meeting with the Chief Executives of Public Sector Banks on 14th February, 2001 regarding recovery of Non Performing Assets (NPAs), wherein the public sector banks had indicated that they could recover Rs.793 crores of NPAs, as on 31st December, 2000.

(d)&(e):- RBI has further reported that during the aforesaid meeting, the banks were advised to expedite encashment of foreign Travellers Cheques (TCs) and it was decided that RBI would issue instructions to Authorised Dealers as under:

(i) Branches categorized under A, B, and C categories would provide encashment of foreign TCs.

(ii) TCs upto US\$500 will be encashed immediately on signature by the holder.

(iii) The customer would be required to produce passport or other satisfactory identification.

(iv) `One window` approach for encashment of foreign TCs would be put in place.